



**MINUTES  
SCOTTSDALE CITY COUNCIL  
BUDGET SUBCOMMITTEE**

Public Meeting  
Tuesday, February 22, 2005  
One Civic Center, Financial Services Conference Room  
7447 E Indian School Road  
Scottsdale AZ 85251

**CALL TO ORDER**

The meeting was called to order at 3:01 P.M.

**ROLL CALL**

Subcommittee: Councilman Wayne Ecton, Chairman  
Councilman Ron McCullagh  
Councilman Kevin Osterman

Staff: Jan Dolan  
Neal Shearer  
Craig Clifford  
Pat Dodds  
Art Rullo  
Joyce Lira  
Brent Stockwell

**MINUTES**

Councilman McCullagh moved for approval of the December 6, 2004 and January 10, 2005 meeting minutes. Councilman Osterman seconded the motion which carried 3-0.

**GENERAL BUSINESS**

**1. FY 2005/06 Budget Development**

Staff updated the subcommittee on several key issues related to the development of the FY 2005/06 Budget. Subjects discussed included pay ranges, performance pay, market adjustments, benchmarking of positions, retirement system increase, medical benefit premiums and the vacation trade policy.

Ms. Lira reviewed the draft "City of Scottsdale Compensation and Benefits Plan Recommendations FY 2005/2006" provided to the subcommittee. The document included a sample list of position pay ranges benchmarked with other Valley cities. Mr. McCullagh requested to see the list of all positions benchmarked. Ms. Lira advised that she would provide the full list.

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Ms. Lira reviewed the Arizona State Retirement System (ASRS) increased contribution rates. Mr. McCullagh questioned if the city had considered changing from a defined benefit plan to a defined contribution plan. He felt it was important to study the impacts of changing to a defined contribution plan. Mr. Clifford said that staff had researched, and the ASRS joinder agreement was non-revocable and had ramifications with state and federal tax codes. Members of the subcommittee asked staff to get a legal opinion on whether the city could change plans, and research the other relevant issues relating to changing to a defined contribution plan.

In reviewing Attachment B – Proposed Monthly Benefit Premiums & Contribution Rates, staff noted that since the benefit plan was changed from a calendar year to fiscal year, these rates (unchanged from last year) would need to be approved by Council in March, to allow staff to proceed with the required “open enrollment” period in April for new benefits year beginning July 1, 2005. Mr. McCullagh asked to see figures indicating the cost of health benefits for employees and the percentage of cost for their dependents. He further requested the average benefit premiums paid by other cities to see how Scottsdale compared.

The proposed vacation trade policy for 2005 was reviewed, consistent with the summary report provided by staff.

**2. Public input on the FY 2005/06 Budget**

Councilman Ecton noted he had selected items from the Summit Reports for further discussion and had distributed them to staff to research further. He requested staff take this input from citizens into consideration as they put their budgets together, and then the subcommittee could revisit this issue at their next meeting.

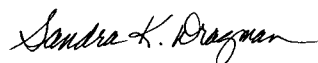
**3. Citizen Budget Forums**

Subcommittee members were asked to provide input to Mr. Stockwell regarding the format of the forums. The first Citizen Budget Forum will be held March 17, 2005, a day after the proposed budget is released. The second will be held on Monday, March 21, 2005.

**ADJOURNMENT**

With no further business to discuss, the meeting adjourned at 4:43 P.M.

**SUBMITTED BY:**



**Sandy Dragman  
Recording Secretary**

**Minutes approved by the City Council Budget Subcommittee on April 4, 2005.**